

RBI sanguine on demand amid capital account risks

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THE CONCERNS OVER

India's financial account refuse to ebb away. Amid net portfolio outflows of \$19 billion from Indian equities in 2025, the country continues to witness net outflows of foreign direct investment (FDI) as well.

On a net basis, FDI inflows remained negative in November for the third consecutive month, mainly due to high repatriation, the Reserve Bank of India's (RBI) revealed in its January bulletin. Also, the registrations and net inflows of external commercial borrowings (ECBs) moderated during April-November 2025 compared to the same period a year ago, reflecting a broader slowdown in offshore fundraising activity.

The RBI bulletin revealed that net FDI outflow of \$446 million in November last year after \$1.7 billion outflow in October and \$1.6 billion in September last year.

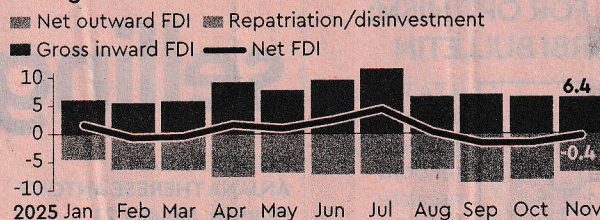
However, compared to net FDI inflows of less than \$1 billion in 2024-25, the first eight months of 2025-26 has seen net FDI inflows of \$5.6 billion.

On a gross basis, FDI inflows in November, 2025 stood at \$6.4 billion, slightly lower than \$6.5 billion the previous month and \$7 billion in September last year.

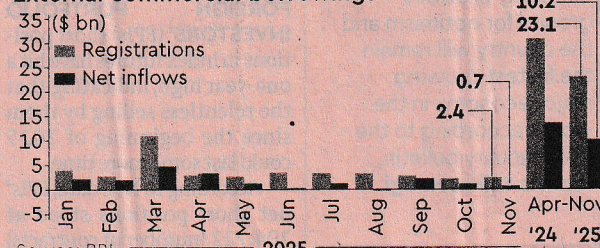
The registrations of ECBs moderated to \$23.1 billion during April-November 2025, from \$33.8 billion in the corresponding period a year ago, data from RBI show. Around 43% of the

BULLETIN WATCH

Foreign direct investment (\$ billion)



External commercial borrowings



Source: RBI

India's financial wealth rises to 28.6% of GDP in FY24

THE NET FINANCIAL wealth of domestic sectors increased to 28.6% of GDP in 2023-24 from 24.8% in 2022-23, the latest RBI bulletin showed.

This was driven by strengthening of financial balance sheets of households, general government

and non-financial corporations, the RBI said.

The financial assets of the domestic economy grew by 13.9% in 2023-24 from 9.9% in the previous year and liabilities rose by 12.7% as compared with 10.4% in the previous year.

—FE BUREAU

ECB funds was mobilised for capital expenditure purposes. At a time when global geopolitical tensions escalate, India's economy provides ground for optimism and the country will

remain the fastest growing major economy in the world, the bulletin said. India has made significant efforts to diversify and its exports, aiming to mitigate external sector shocks.